



Department for
Energy Security
& Net Zero

Department for Energy
Security & Net Zero
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The Authority (Ofgem), the SEC Panel, SEC Parties
and other interested parties

11 June 2026

Dear Colleague,

VIRTUAL WAN ARRANGEMENTS: CONSULTATION ON TEMPORARY DISABLEMENT OF 4G SM WAN COMMUNICATIONS WITH VIRTUAL WAN COMMUNICATIONS HUBS (VWCHs)

This consultation sets out, and invites views on, DESNZ's proposal to make changes to the Virtual WAN Transition Document to put in place arrangements for a temporary disablement of the ability of VWCHs to communicate with the DCC via the SM WAN.

The proposed arrangements would apply only to VWCHs that are being made available under Clause 4.1 and Clause 7.1 of the SEC Appendix AZ - Virtual WAN Transition Document. These being the VWCHs with the soft-launch firmware build amounting to a maximum of 9968 VWCHs (and subject to relevant suppliers opting into the arrangements).

The proposals put forward in this consultation operate on an "opt in" basis, which means that unless a particular Supplier Party indicates that it wishes to participate in the proposed arrangements, 4G Communications will not be disabled for its VWCHs.

Throughout soft-launch, VWCHs have been demonstrated to work well when connected to the DCC via the consumer's internet and a Virtual WAN Device in no-WAN premises, as well as in premises with a good 4G connection where they default to communications via the 4G WAN. However, issues have been experienced in some circumstances in premises with a 4G SM WAN signal of insufficient strength or quality. In such cases, VWCHs may remain connected to the SM WAN rather than use the internet even though the quality of the signal is not adequate to support either an efficient Install and Commission or for general operation. We are proposing temporary changes to remedy this situation for those communications hubs operating on soft-launch firmware. Subsequent VWCHs will use different switching rules specified in the next version of the WAN Selection Arrangements (WANSA2) and hence it is not expected that this issue will arise for those VWCHs.

The proposed changes include:

- at network management level, the temporary disablement of the capability of the relevant VWCHs to communicate with DCC over the 4G SM WAN, thus forcing them to use the internet to communicate;
- in the case of the first batch of 1008 soft-launch VWCHs that have already been delivered, it is proposed that for opting in suppliers, the DCC would disable 4G communication if the Communications Hub Function (CHF) forming part of the VWCH has not been Commissioned by 29 June 2026. In addition, and only for opting in suppliers, where the associated CHF has been Commissioned, the DCC would also disable 4G communication where the supplier notifies (again by 29 June 2026) the DCC that they wish it to be disabled for specific VWCHs;

- in the case of the second batch of 8960 VWCHs¹, for opting in suppliers 4G communications to all such VWCHs would be disabled prior to the VWCHs being delivered to the relevant supplier;
- a requirement for the DCC to provide information on the mechanism to be used for suppliers to indicate whether or not they wish to opt into the arrangements for each batch and to notify them of VWCHs with Commissioned CHF's from the first batch of 1008 that they wish to be disabled;
- a clause relieving the DCC of its obligation to send Commands to devices comprising part of the relevant Smart Metering System via the SM WAN whilst 4G communications are disabled. Note that where the VWCH is connected via the internet and a VWD, DCC retains an obligation to send commands via the Virtual WAN Provider route (as per the Service Request Processing Document (SEC Appendix AB)); and
- a requirement on the DCC to re-establish communications with the relevant VWCHs on 31 May 2027 (or such later date as may be notified by the Department) thus ending the temporary arrangements at this time. By this time it is expected that the relevant VWCHs will have been upgraded to operate in line with the WANSAs arrangements.

We are also proposing changes to the governance of the WAN Selection Arrangements (WANSAs) in light of the fact that an updated version will soon be made available that will apply to 4G Release 2 VWCHs.

Responses to the questions set out in the consultation (and associated reasons) should be submitted to smartmetering@energysecurity.gov.uk by 17:00 on 25 June 2026.

Please note that we recognise that the response timescales associated with this consultation are short, but we think that this is warranted in this instance as is described in the consultation document.

Yours faithfully,



James Cosgrove
Deputy Director
Smart Metering Implementation Programme

(An official of the Department for Energy Security & Net Zero authorised to act on behalf of the Secretary of State).

Annex 1: Consultation Document

Annex 2: Draft changes to Virtual WAN Transition Document

¹ VWCH made available from the 27 February 2026 consultation, as concluded here: <https://smartenergycodecompany.co.uk/department-for-energy-security-and-net-zero-response-document-on-making-available-additional-virtual-wan-communications-hubs/>. Also defined at SEC Appendix AZ, Clause 7.1.

Annex 1 – Consultation Document

1. This consultation sets out, and invites views on, changes to the Virtual WAN Transition Document to put in place arrangements for a temporary disablement of the ability of VWCHs with the soft-launch firmware build to communicate with the DCC via the SM WAN. It also includes changes relating to the governance of the WAN Selection Arrangements (WANSAs).
2. The proposals operate on an “opt in” basis, which means that unless a particular Supplier Party indicates that it wishes to participate in the arrangements, 4G Communications will not be disabled for any of the VWCHs that are sent to it, or any they already have.
3. The arrangements will terminate 31 May 2027 (or such later date as may be notified by the department) when the DCC will re-establish 4G capability for the relevant VWCHs and by which time it is expected that the relevant VWCHs will have been upgraded to operate on the new WAN Selection Arrangements (WANSAs).

Background

4. Thus far, as part of the soft launch of the Virtual WAN Arrangements, VWCHs have been demonstrated to work well when connected to the DCC via the consumer’s internet and a Virtual WAN Device in no-WAN premises, as well as in premises with a good 4G connection where they default to communications via the SMWAN. However, some issues have been experienced in premises with a 4G SM WAN signal of insufficient strength or quality (resulting in intermittent 4G connectivity). In some instances, the VWCH selects the 4G SM WAN as the preferred means of communication with the DCC in situations where, in practice, effective communications with the DCC cannot be secured via that route. Some suppliers have indicated that as a consequence, they are reluctant to install a Virtual WAN solution for consumers in situations where the 4G SM WAN signal is of insufficient strength or quality because they lack confidence that they will be able to consistently establish sufficient connections.
5. New WAN Selection Arrangements (WANSAs) rules (known as “WANSAs”) to deal with this issue are being developed and will apply (subject to consultation) to the 4G “Release 2”² VWCHs and so the issue should apply only in relation to the VWCHs that have been or are being made available that are based on the soft-launch firmware build.
6. Changes to the governance of the WANSAs documents are being proposed in light of the fact that for a relatively short period of time (i.e. until those based on the soft-launch firmware are upgraded) two versions of WANSAs will be in use, since devices operating on the soft-launch firmware (and hence WANSAs) will be potentially being installed at the same time as new VWCHs with the updated firmware (operating on WANSAs).

Proposed Change

7. The DCC is able to disable communications over the SM WAN with individual Communications Hubs and it is proposed that the DCC should do so for VWCHs with the soft-launch firmware build where the supplier has requested this. This would mean that the relevant VWCHs would temporarily be forced to use the internet route for communications with the DCC and will not seek to connect via 4G, including in premises where there is a 4G SM WAN that is of insufficient strength or quality.
8. When the Release 2 VWCH firmware is available (expected Q3 2026), we are expecting the DCC to upgrade the firmware of all soft-launch VWCHs (once installed) to this new version and then to re-enable the connection to the SM WAN on 31 May 2027. In this situation, WANSAs would apply to the VWCHs providing a more reliable service (e.g. switching to and / or remaining on VWAN if 4G connectivity is of insufficient strength or quality).

² The Release 2 of the 4G Communications Hub currently being developed by DCC will include VWAN capability as part of the shipped firmware

9. For suppliers who do not opt in to the proposed new arrangements, no VWCHs will have their SM WAN communications disabled³.
10. For suppliers who opt in to the arrangements for the first batch of VWCHs (i.e. the 1008 VWCHs that have already been delivered), by 29 June 2026 then the following arrangements would apply:
 - all of the Supplier Party's batch 1 VWCHs with a CHF that has not been Commissioned by 29 June 2026 will have their SM WAN communications disabled on 01 July 2026;
 - where the CHF has been Commissioned, communications would be disabled on 01 July 2026 for those specific VWCHs that the supplier indicates by 29 June 2026 that they wish to be disabled.
11. For suppliers who opt in to the arrangements for the second batch of VWCHs (i.e. the 8960 VWCHs to be provided under Clause 7.1 of the VWAN Transition Document) by 29 June 2026, 4G SM WAN communications would be disabled prior to delivery;
12. This would mean that suppliers opting in to the arrangements for batch 1 and/or batch 2 would have to install and commission Virtual WAN installations using soft-launch VWCHs via the consumer's internet where 4G communication has been disabled. Where 4G communications are disabled for already commissioned devices forming part of batch 1, the change is intended to provide a mechanism to resolve installations that are "stuck" on a 4G SM WAN signal of insufficient strength or quality.
13. Opting in suppliers would need to ensure installers use these temporarily 4G disabled VWCHs appropriately – i.e. always with a VWD and never as a "business as usual" 4G CH. All VWCHs are clearly marked as such.

Reasons for the Change

14. The Department in proposing these changes because:
 - in the Virtual WAN Sub-Group, a number of suppliers who are active in soft-launch and the DCC expressed support for the changes as they expand the consumer base they can confidently offer VWAN to;
 - the proposals operate on an "opt-in" basis and so if there are suppliers who do not want 4G SM WAN communications disabled, then they would need to do nothing, thereby not opting in to the arrangements;
 - the changes are expected to afford additional confidence to suppliers that the Virtual WAN solution will consistently work in practice, especially in premises with a 4G SM WAN signal of insufficient strength or quality. We hope that this will have the effect of accelerating the rollout of soft-launch VWCHs and so enhance the management information available from the soft-launch phase;
 - to improve the consumer experience where a Virtual WAN solution is to be installed in their premises and mitigate against the Virtual WAN solution not being considered fit for purpose; and
 - we understand from the DCC that the costs associated with implementing the change are negligible.

³ The only exception is that the supplier might inherit one that has been previously disabled on behalf of another supplier on change of supplier.

Transition Document Changes

15. The specific changes in the SEC Appendix AZ - Virtual WAN Transition Document being proposed are:

- A new clause 5.1 making it clear that the existing version of WANSA applies to VWCHs made available under the transition document (until such time as they are upgraded to CHTS v1.7 or later).
- A new Clause 5.2 identifying the new WANSA2 document as being applicable to other VWCHs.
- An amendment to Clause 5.2 to clarify that it applies to both WANSA1 and WANSA2.
- A new clause 8.1 requiring the DCC to establish the arrangements by which it can disable 4G SM WAN communication with VWCHs made available pursuant to the Virtual WAN Transition Document.
- A new clause 8.2 requiring the DCC to disable the SM WAN communication capability for the first batch of VWCHs on 01 July 2026 if (i) the relevant supplier has opted in to the arrangements by 29 June 2026; (ii) the associated CHF has not been Commissioned by 29 June 26; and (iii) where the CHF has been Commissioned by 29 June 2026, the relevant supplier has indicated that it wishes the communications to be disabled.
- A new clause 8.3 requiring DCC to disable the SM WAN communication capability for VWCHs in batch 2 prior to delivery for suppliers who opt in to the arrangements for batch 2 by 29 June 2026.
- A new clause 8.4 which requires the DCC to inform suppliers of the mechanism by which they can opt in to the arrangements for batch 1 and/or batch 2 and by which they can identify those VWCHs in batch 1 with Commissioned CHFs that they wish to be disabled.
- A new clause 8.5 which recognises that the notifications by DCC and by suppliers can be made in advance of the changes coming into effect.
- A new clause 8.6 which relieves the DCC of its obligation to send Commands to devices comprising part of the relevant Smart Metering System via the SM WAN. Note that where the VWCH is connected via the internet and a VWD, DCC retains an obligation to send commands via the Virtual WAN Provider route (as per the Service Request Processing Document (SEC Appendix AB)).
- A new clause 8.7 which requires the DCC to re-establish 4G SM WAN communications capability with the relevant VWCHs on 31 May 2027 (or such later date as may be notified by the department).

Consultation Questions

- 1. Do you agree with the changes put forward in this consultation?**
- 2. Do you agree with a date of 29 June 2026 (or as soon as reasonably practicable within one month thereafter) as a date for re-designation of the Virtual WAN Transition Document (Appendix AZ) in the form set out in Annex 2 to the covering letter?**

Next Steps

16. Responses to the questions set out in the consultation (and associated reasons) should be submitted to smartmetering@energysecurity.gov.uk by 17:00 on 25 June 2026.
17. Please note that we recognise that the response timescales associated with this consultation are short, but we think that this is warranted in this instance. The number of Communications Hubs

affected is small (max 9968) and the change has the potential to significantly improve the consumer/ DCC User experience and timescales associated with the rollout and trialling of the Virtual WAN Solution and so it is hoped that the issue that this change is intended to address can be resolved as soon as practicable.

Annex 2 – Draft Changes to Virtual WAN Transition Document

Published separately